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General Assembly

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Sixty-second session
Agenda item 52

Macroeconomic policy questions

Report of the Second Committee*

Rapporteur: Ms. Tamar **Tchitanava** (Georgia)

1. At its 3rd plenary meeting, on 21 September 2007, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-second session the item entitled:

"Macroeconomic policy questions:

"(a) International trade and development;

"(b) International financial system and development;

"(c) External debt crisis and development"

and to allocate it to the Second Committee.

2. The Second Committee held a substantive debate jointly on sub-items (b) and (c) at its 7th and 8th meetings, on 15 October 2007, and on sub-item (a) at its 13th, 14th and 15th meetings, on 25 October, 26 October and 29 October. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/62/SR.7, 8, 13, 14 and 15). Attention is also drawn to the general debate held by the Committee at its 2nd to 6th meetings, from 8 to 10 October (see A/C.2/62/SR.2-6). An account of the Committee's further consideration of the item will be given in the addenda to the present report.

3. For its consideration of the item, the Committee had before it the following documents:

Item 52
Macroeconomic policy questions

Letter dated 30 May 2007 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General (A/61/981-S/2007/656)

* The report of the Committee on this item will be issued in four parts, under the symbol A/62/417 and Add.1-3.

07-62582 (E) 111207

Letter dated 10 October 2007 from the Permanent Representatives of El Salvador, Honduras and Nicaragua to the United Nations addressed to the Secretary-General (A/62/486)

Letter dated 8 October 2007 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General (A/62/488)

Letter dated 18 October 2007 from the Permanent Representative of Pakistan to the United Nations addressed to the Secretary-General (A/62/507-S/2007/636)

Item 52 (a)
International trade and development

Report of the Trade and Development Board on its fortieth executive session, Geneva, 14 December 2006 (A/62/15 (Part I and Corr.1 and 2))

Report of the Trade and Development Board on its forty-first executive session, Geneva, 18-20 April 2007 (A/62/15 (Part II and Corr.1))

Report of the Trade and Development Board on its forty-second executive session, Geneva, 27 June 2007 (A/62/15 (Part III and Corr.1 and 2))

Report of the Trade and Development Board on its fifty-fourth executive session, Geneva, 1-11 October 2007 (A/62/15 (Part IV))

Report of the Secretary-General on unilateral economic measures as a means of political and economic coercion against developing countries (A/62/210)

Report of the Secretary-General on international trade and development (A/62/266)

Letter dated 4 April 2007 from the Permanent Representative of Spain to the United Nations addressed to the Secretary-General (A/62/71-E/2007/46)

Letter dated 31 October 2007 from the Permanent Representative of the Islamic Republic of Iran to the United Nations addressed to the Secretary-General (A/62/524-S/2007/650)

Item 52 (b)
International financial system and development

Report of the Secretary-General on the international financial system and development (A/62/119)

Letter dated 4 April 2007 from the Permanent Representative of Spain to the United Nations addressed to the Secretary-General (A/62/71-E/2007/46)

Item 52 (c)
External debt crisis and development

Report of the Secretary-General on recent developments in external debt (A/62/151)

Letter dated 4 April 2007 from the Permanent Representative of Spain to the United Nations addressed to the Secretary-General (A/62/71-E/2007/46)

4. At the 7th meeting, on 15 October, introductory statements were made under sub-items (b) to (c) by the Chief of the Policy Analysis and Development Branch, Financing for Development Office, Department of Economic and Social Affairs, and

the Officer-in-Charge of the Debt and Development Finance Branch, Division on Globalization and Development Strategies, UNCTAD (see A/C.2/62/SR.7).

5. Also at the 7th meeting, the Officer-in-Charge of the Debt and Development Finance Branch of UNCTAD and the Chief of the Policy Analysis and Development Branch, Financing for Development Office, Department of Economic and Social Affairs responded to questions and comments made by the representatives of the United Republic of Tanzania and India (see A/C.2/62/SR.7).

6. At the 9th meeting, on 17 October, the representative of Kuwait made a statement on sub-item (c) in exercise of the right of reply (see A/C.2/62/SR.9).

7. At the 13th meeting, on 25 October, introductory statements were made under sub-item (a) by the Secretary-General of UNCTAD, the President of the Trade and Development Board, and the Director of the Development Policy and Analysis Division of the Department of Economic and Social Affairs (see A/C.2/61/SR.13).

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Sixty-second session
Agenda item 52 (a)

Macroeconomic policy questions: international trade and development

Report of the Second Committee*

Rapporteur: Ms. Tamar **Tchitanava** (Georgia)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 52 (see A/62/417, para. 2). Action on sub-item (a) was taken at the 20th, 28th and 32nd meetings, on 1 and 16 November and 7 December 2007. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/62/SR.20, 28 and 32).

II. Consideration of draft resolutions

A. Draft resolution A/C.2/62/L.8

2. At the 20th meeting, on 1 November, the representative of Pakistan, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "Unilateral economic measures as a means of political and economic coercion against developing countries" (A/C.2/62/L.8). Belarus subsequently joined in sponsoring the draft resolution.

3. At its 28th meeting, on 16 November, the Committee was informed that the draft resolution had no programme budget implications (see A/C.2/62/SR.28).

4. At the same meeting, the Committee adopted draft resolution A/C.2/62/L.8 by a recorded vote of 107 to 1, with 51 abstentions (see para. 12, draft resolution I). The voting was as follows:

* The report of the Committee on this item is being issued in four parts, ur der the symbol A/62/417 and Add.1-3.

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In favour:

Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin, Bhutan, Bolivia, Brazil, Brunei Darussalam, Burkina Faso, Cambodia, Cameroon, Cape Verde, Central African Republic, Chile, China, Colombia, Comoros, Congo, Costa Rica, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Djibouti, Dominican Republic, Ecuador, Egypt, Eritrea, Ethiopia, Ghana, Guatemala, Guinea, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lebanon, Lesotho, Libyan Arab Jamahiriya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Niger, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Qatar, Russian Federation, Saint Lucia, Saint Vincent and the Grenadines, Saudi Arabia, Senegal, Singapore, Solomon Islands, South Africa, Sri Lanka, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, Togo, Tunisia, Uganda, United Arab Emirates, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

United States of America.

Abstaining:

Albania, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Marshall Islands, Moldova, Monaco, Montenegro, Netherlands, New Zealand, Norway, Palau, Poland, Portugal, Republic of Korea, Romania, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland.

5. Before the adoption of the draft resolution, a statement was made by the representative of Pakistan (see A/C.2/62/SR.28).

6. After the adoption of the draft resolution, a statement in explanation of vote after the vote was made by the representative of Portugal (on behalf of the States Members of the United Nations that are members of the European Union, Albania, Croatia, Montenegro, Serbia, the former Yugoslav Republic of Macedonia, the European Free Trade Association countries Iceland, Liechtenstein and Norway, Georgia, Moldova and Ukraine) (see A/C.2/62/SR.28).

B. Draft resolution A/C.2/62/L.10

7. At the 20th meeting on 1 November, the representative of Pakistan, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "International trade and development" (A/C.2/62/L.10).

8. At the 32nd meeting on 7 December, the Committee was informed that the draft resolution contained no programme budget implications (see A/C.2/62/SR.32).

9. At the same meeting, the Committee adopted draft resolution A/C.2/62/L.10 by a recorded vote of 109 to 47, with 5 abstentions (see para. 12, draft resolution II). The voting was as follows:

In favour:[1]

Afghanistan, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Bahamas, Bahrain, Bangladesh, Barbados, Belize, Benin, Bhutan, Bolivia, Botswana, Brazil, Brunei Darussalam, Burkina Faso, Cambodia, Cape Verde, Central African Republic, Chile, China, Colombia, Congo, Costa Rica, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Democratic Republic of the Congo, Djibouti, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Fiji, Ghana, Guatemala, Guinea, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kenya, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lebanon, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritania, Mauritius, Micronesia (Federates States of), Mongolia, Morocco, Mozambique, Myanmar, Nepal, Nicaragua, Niger, Nigeria, Oman, Pakistan, Panama, Paraguay, Peru, Philippines, Qatar, Saint Lucia, Samoa, Saudi Arabia, Senegal, Sierra Leone, Singapore, Solomon Islands, South Africa, Sri Lanka, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Thailand, Togo, Tonga, Tunisia, Uganda, United Arab Emirates, United Republic of Tanzania, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Albania, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Moldova, Monaco, Montenegro, Netherlands, New Zealand, Poland, Portugal, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining:

Mexico, Norway, Republic of Korea, Russian Federation, Serbia.

10. After the adoption of the draft resolution, statements in explanation of vote were made by the representatives of the United States of America, Portugal (on behalf of the States Members of the United Nations that are members of the European Union, Albania, Bosnia and Herzegovina, Croatia, Montenegro, the former Yugoslav Republic of Macedonia, Turkey, the European Free Trade Association country Iceland, Georgia, Moldova and Ukraine), Australia (also on behalf of Canada and New Zealand), Switzerland and Japan (see A/C.2/62/SR.32).

[1] The representative of Azerbaijan indicated that had he been present during the voting, his country would have voted in favour of the draft resolution.

11. Also after the adoption of the resolution, statements were made by the representatives of Benin and Pakistan (on behalf of the States Members of the United Nations that are members of the Group of 77 and China) (A/C.2/62/SR.32).

III. Recommendations of the Second Committee

12. The Second Committee recommends to the General Assembly the adoption of the following draft resolutions:

Draft resolution I
Unilateral economic measures as a means of political and economic coercion against developing countries

The General Assembly,

Recalling the relevant principles set forth in the Charter of the United Nations,

Reaffirming the Declaration on Principles of International Law concerning Friendly Relations and Cooperation among States in accordance with the Charter of the United Nations,[1] which states, inter alia, that no State may use or encourage the use of unilateral economic, political or any other type of measures to coerce another State in order to obtain from it the subordination of the exercise of its sovereign rights,

Bearing in mind the general principles governing the international trading system and trade policies for development contained in relevant resolutions, rules and provisions of the United Nations and the World Trade Organization,

Recalling its resolutions 44/215 of 22 December 1989, 46/210 of 20 December 1991, 48/168 of 21 December 1993, 50/96 of 20 December 1995, 52/181 of 18 December 1997, 54/200 of 22 December 1999, 56/179 of 21 December 2001, 58/198 of 23 December 2003 and 60/185 of 22 December 2005,

Gravely concerned that the use of unilateral coercive economic measures adversely affects the economy and development efforts of developing countries in particular and has a general negative impact on international economic cooperation and on worldwide efforts to move towards a non-discriminatory and open multilateral trading system,

Recognizing that such measures constitute a flagrant violation of the principles of international law as set forth in the Charter of the United Nations, as well as the basic principles of the multilateral trading system,

1. *Takes note* of the report of the Secretary-General;[2]

2. *Urges* the international community to adopt urgent and effective measures to eliminate the use of unilateral coercive economic measures against developing countries that are not authorized by relevant organs of the United Nations or are inconsistent with the principles of international law as set forth in the Charter of the United Nations and that contravene the basic principles of the multilateral trading system;

3. *Calls upon* the international community to condemn and reject the imposition of the use of such measures as a means of political and economic coercion against developing countries;

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[1] Resolution 2625 (XXV).

[2] A/62/210.

4. *Requests* the Secretary-General to continue to monitor the imposition of measures of this nature and to study the impact of such measures on the affected countries, including the impact on trade and development;

5. *Also requests* the Secretary-General to submit to the General Assembly at its sixty-fourth session a report on the implementation of the present resolution.

Draft resolution II
International trade and development

The General Assembly,

Recalling its resolutions 56/178 of 21 December 2001, 57/235 of 20 December 2002, 58/197 of 23 December 2003, 59/221 of 22 December 2004, 60/184 of 22 December 2005 and 61/186 of 20 December 2006 on international trade and development, and recalling also the provisions of the United Nations Millennium Declaration[1] pertaining to trade and related development issues, as well as the outcomes of the International Conference on Financing for Development,[2] the World Summit on Sustainable Development[3] and the 2005 World Summit Outcome,[4]

Recalling also its resolution 60/265 of 30 June 2006 on follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and other internationally agreed development goals,

Reaffirming the value of multilateralism to the global trading system and the commitment to achieving a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment generation in all sectors, and emphasizing that bilateral and regional trading arrangements should contribute to the goals of the multilateral trading system,

Stressing the importance of open, transparent, inclusive, democratic and more orderly processes and procedures for the effective functioning of the multilateral trading system, including in the decision-making process, so as to enable developing countries to have their vital interests duly reflected in the outcome of trade negotiations,

Reiterating that development concerns form an integral part of the Doha Development Agenda, which places the needs and interests of developing and least developed countries at the heart of the Doha Work Programme,[5]

Noting that agriculture lags behind the manufacturing sector in the process of establishment of multilateral disciplines and in the reduction of tariff and non-tariff barriers and that, since most of the world's poor make their living out of agriculture, the livelihood and standards of living of many of them are seriously jeopardized by the serious distortions in production and trade in agricultural products caused by the high levels of export subsidies, trade-distorting domestic support and protectionism by many developed countries,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex, and resolution 2, annex.

[4] See resolution 60/1.

[5] A/C.2/56/7, annex.

Taking note of the report of the Trade and Development Board[6] as well as the report of the Secretary-General,[7]

1. *Expresses serious concern* at the lack of substantial progress on the trade negotiations of the World Trade Organization and considers it a serious setback for the Doha Round, and calls upon the developed countries to demonstrate the flexibility and political will necessary for breaking the current impasse in the negotiations, and also calls upon all members of the World Trade Organization to adhere to the development mandate of the Doha Ministerial Declaration,[5] the decision of 1 August 2004 of the General Council of the World Trade Organization[8] and the Hong Kong Ministerial Declaration,[9] which places development at the heart of the multilateral trading system;

2. *Stresses* that in order for the Doha Round to be concluded satisfactorily, the negotiations should result in the establishment of rules and disciplines in the area of agriculture, adhering to the development mandate of the Doha Ministerial Declaration, the decision of 1 August 2004 of the General Council of the World Trade Organization and the Hong Kong Ministerial Declaration;

3. *Also stresses* the need for negotiations of the World Trade Organization in non-agricultural market access to live up to the development mandate of the Doha Ministerial Declaration, the decision of 1 August 2004 of the General Council of the World Trade Organization and the Hong Kong Ministerial Declaration;

4. *Further stresses* the need for negotiations of the World Trade Organization to make substantial progress in all areas under the single undertaking such as services, rules and trade facilitation so as to ensure that the development concerns of developing countries are fully reflected in any outcome consistent with the development mandate of the Doha Ministerial Declaration, the decision of 1 August 2004 of the General Council of the World Trade Organization and the Hong Kong Ministerial Declaration;

5. *Underlines* the fact that the increasing interdependence of national economies in a globalizing world and the emergence of rule-based regimes for international economic relations have meant that the space for national economic policy, that is, the scope for domestic policies, especially in the areas of trade, investment and industrial development, is now often framed by international disciplines, commitments and global market considerations, that it is for each Government to evaluate the trade-off between the benefits of accepting international rules and commitments and the constraints posed by the loss of policy space, and that it is particularly important for developing countries that all countries take into account the need for appropriate balance between national policy space and international disciplines and commitments;

6. *Expresses its deep concern* at the imposition of laws and other forms of coercive economic measures including unilateral sanctions against developing

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[6] A/61/15 (Parts I-IV) and corrigenda. For the final text, see *Official Records of the General Assembly, Sixty-second Session, Supplement No. 15* (A/62/15).

[7] A/62/266.

[8] World Trade Organization, document WT/L/579. Available from http://docsonline.wto.org.

[9] World Trade Organization, document WT/MIN(05)/DEC. Available from http://docsonline.wto.org.

countries, which undermine international law and the rules of the World Trade Organization, and also severely threaten the freedom of trade and investment;

7. *Reaffirms* the commitments made at the Fourth Ministerial Conference of the World Trade Organization[5] and at the Third United Nations Conference on the Least Developed Countries,[10] in this regard calls upon developed countries that have not already done so to provide immediate predictable, duty-free and quota-free market access on a lasting basis to all products originating from all least developed countries by 2008, also calls upon developing countries that are in a position to do so to extend duty-free and quota-free market access to exports of these countries, and in this context reaffirms also the need to consider additional measures for progressive improvement in market access for least developed countries and reaffirms further the need for members of the World Trade Organization to take additional measures to provide effective market access both at the border and otherwise, including simplified and transparent rules of origin so as to facilitate exports from least developed countries;

8. *Also reaffirms* the commitment to actively pursue the work programme of the World Trade Organization with respect to addressing the trade-related issues and concerns affecting the fuller integration of countries with small, vulnerable economies into the multilateral trading system in a manner commensurate with their special circumstances and in support of their efforts towards sustainable development, in accordance with paragraph 35 of the Doha Ministerial Declaration and paragraph 21 of the Hong Kong Ministerial Declaration;

9. *Recognizes* the special problems and needs of the landlocked developing countries within a new global framework for transit transport cooperation for landlocked and transit developing countries, calls, in this regard, for the full and effective implementation of the Almaty Programme of Action,[11] and stresses the need for the implementation of the São Paulo Consensus,[12] in particular paragraphs 66 and 84 thereof, by the relevant international organizations and donors in a multi-stakeholder approach;

10. *Also recognizes* the need to ensure that the comparative advantage of developing countries is not undermined by any form of protectionism, including the arbitrary and abusive use of non-tariff measures, non-trade barriers and other standards to unfairly restrict the access of products of developing countries particularly to developed countries' markets, reaffirms, in this regard, that developing countries should play an increasing role in the formulation of, inter alia, safety, environment and health standards, and recognizes the need to facilitate the increased and meaningful participation of the developing countries in the work of relevant international standard-setting organizations;

11. *Further recognizes* that South-South trade should be enhanced and further market access should continue to stimulate South-South trade;

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[10] See A/CONF.191/13.

[11] *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003* (A/CONF.202/3), annex I.

[12] TD/412, part II.

12. *Recognizes* the role that a successful conclusion of the ongoing third round of negotiations on the Global System of Trade Preferences among Developing Countries can play in South-South trade;

13. *Calls for* accelerating the work on the development-related mandate concerning the Agreement on Trade-related Aspects of Intellectual Property Rights[13] in the Doha Ministerial Declaration, especially on issues of making intellectual property rules fully support the objectives of the Convention on Biological Diversity;[14] and the issues related to the Agreement and public health afflicting many developing countries, including the least developed countries, especially those issues arising from the HIV/AIDS, tuberculosis, malaria and other epidemics;

14. *Requests* the Secretary-General to present in his report on the implementation of the present resolution the options available with respect to enhancing the role of the United Nations in accelerating the work on the development agenda of the Agreement on Trade-related Aspects of Intellectual Property Rights;

15. *Calls for* facilitating the accession of all developing countries that apply for membership in the World Trade Organization, in particular the least developed countries, as well as countries emerging from conflict that are least developed countries, bearing in mind paragraph 21 of resolution 55/182 of 20 December 2000 and subsequent developments, and also calls for the effective and faithful application of the World Trade Organization guidelines on accession by the least developed countries;

16. *Emphasizes* the need for further work to foster greater coherence between the multilateral trading system and the international financial system, and invites the United Nations Conference on Trade and Development, in fulfilment of its mandate, to undertake the relevant policy analysis in those areas and to operationalize such work, including through its technical assistance activities;

17. *Invites* donors and beneficiary countries to implement the recommendations of the Task Force on Aid for Trade established by the Director-General of the World Trade Organization on the Aid for Trade initiative, which aims to support developing and least developed countries in building their supply and export capacities, including infrastructure and institutions development, and the need to increase their exports, and stresses in this regard the urgent need for its effective operationalization with sufficient additional, non-conditional and predictable funding;

18. *Welcomes* the effort being made for operationalization of the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries with increased additional, non-conditional and predictable financial resources to enhance the export and supply capacities of the least developed countries, and urges the development partners to increase their contributions to the Integrated Framework Trust Fund on a multi-year basis;

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[13] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

[14] United Nations, *Treaty Series*, vol. 1760, No. 30619.

19. *Reiterates* the important role of the United Nations Conference on Trade and Development as the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, and calls upon the international community to work towards the strengthening of the Conference, to enable it to enhance its contribution in its three major pillars, namely, consensus-building, research and policy analysis, and technical assistance, especially through increased core resources of the Conference;

20. *Welcomes* the convening of the twelfth session of the United Nations Conference on Trade and Development in Accra from 20 to 25 April 2008, and looks forward to the discussion aimed at addressing the opportunities and challenges of globalization for development, especially for developing countries;

21. *Invites* the United Nations Conference on Trade and Development, in accordance with its mandate, to monitor and assess the evolution of the international trading system and of trends in international trade from a development perspective, and, in particular, to analyse issues of concern to developing countries, supporting them in building capacities to establish their own negotiating priorities and negotiate trade agreements, including under the Doha Work Programme;[5]

22. *Reaffirms* the fundamental role that competition law and policy can play for sound economic development and the validity of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices,[15] as well as the important and useful role that the United Nations Conference on Trade and Development plays in this field, and decides to convene in 2010, under the auspices of the United Nations Conference on Trade and Development, a sixth United Nations conference to review all aspects of the Set;

23. *Urges* donors to provide the United Nations Conference on Trade and Development with the increased resources necessary to deliver effective and demand-driven assistance to developing countries, as well as to enhance their contributions to the trust funds of the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Joint Integrated Technical Assistance Programme;

24. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution and on developments in the multilateral trading system, under the sub-item entitled "International trade and development" of the item entitled "Macroeconomic policy questions";

25. *Requests* the Secretary-General to transmit the present resolution to the Director-General of the World Trade Organization for circulation as an official document of the World Trade Organization.

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[15] A/C.2/35/6, annex.

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Macroeconomic policy questions: international financial system and development

Report of the Second Committee*

Rapporteur: Ms. Tamar **Tchitanava** (Georgia)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 52 (see A/62/417, para. 2). Action on sub-item (b) was taken at the 20th and 31st meetings, on 1 November and 5 December 2007. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/62/SR.20 and 31).

II. Consideration of draft resolutions A/C.2/62/L.9 and A/C.2/62/L.47

2. At the 20th meeting, on 1 November, the representative of Pakistan, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "International financial system and development" (A/C.2/62/L.9), which read:

"*The General Assembly*,

"*Recalling* its resolutions 55/186 of 20 December 2000 and 56/181 of 21 December 2001, both entitled 'Towards a strengthened and stable international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity', as well as its resolutions 57/241 of 20 December 2002, 58/202 of 23 December 2003, 59/222 of 22 December 2004, 60/186 of 22 December 2005 and 61/187 of 20 December 2006,

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"*Recalling also* the United Nations Millennium Declaration and its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development and the Plan of Implementation of the World Summit on Sustainable Development ('Johannesburg Plan of Implementation'),

"*Recalling further* the 2005 World Summit Outcome and its resolution 61/16 of 20 November 2006 on strengthening of the Economic and Social Council,

"*Recalling* its resolution 60/265 of 30 June 2006,

"*Emphasizing* that the international financial system should further sustain economic growth and support sustainable development and the eradication of hunger and poverty, while allowing for the coherent mobilization of all sources of financing for development, including the mobilization of domestic resources, international investment flows, official development assistance, external debt relief and an open, equitable, rule-based, predictable and non-discriminatory global trading system,

"*Stressing* the importance of commitment to sound domestic financial sectors, which make a vital contribution to national development efforts, as an important component of an international financial architecture that is supportive of development,

"*Stressing also* that good governance at the international level is fundamental for achieving sustainable development, in this regard reiterating the importance of promoting global economic governance by addressing the international finance, trade, technology and investment patterns that have an impact on the development prospects of developing countries in order to ensure a dynamic and enabling international economic environment, and reiterating also that, to this effect, the international community should take all necessary and appropriate measures, including ensuring support for structural and macroeconomic reform, finding a comprehensive and effective solution to the external debt problem and increasing the market access of developing countries,

"*Stressing further* the urgent need to broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting, and to that end stressing the importance of making tangible progress and advancing the reform of the international financial architecture, and stressing also that the voting power and voice of all developing countries should be expeditiously increased,

"*Concerned* that effective representation and participation of developing countries in international economic decision-making and norm-setting processes, including those of the Bretton Woods institutions and other international economic and financial institutions, have not been adequately addressed,

"*Recognizing* the urgent need to enhance the coherence, governance and consistency of the international monetary, financial and trading systems and the importance of ensuring their openness, fairness and inclusiveness in order

to complement national development efforts to ensure sustained economic growth and the achievement of the internationally agreed development goals, including the Millennium Development Goals,

"*Emphasizing* the need for additional stable and predictable financing to assist developing countries undertake their investment plans and strategies to achieve the internationally agreed development goals, including the Millennium Development Goals,

"*Reiterating* the need to strengthen the leadership role of the United Nations in promoting development in all its aspects,

"1. *Takes note* of the report of the Secretary-General;

"2. *Notes* that global economic growth and a stable international financial system, inter alia, can support the ability of developing countries to achieve the internationally agreed development goals, including the Millennium Development Goals, and stresses the importance of cooperative and coordinated efforts by all countries and institutions to cope with the risks of financial instability;

"3. *Emphasizes* that economic growth should be further strengthened and sustained, noting that global economic growth depends on national economic growth and that implementation of sound macroeconomic policies at all levels could significantly contribute to a revitalization of economic growth;

"4. *Also emphasizes* the urgent need to undertake comprehensive reforms aimed at solving the problem of underrepresentation of all developing countries in international financial institutions, including the Bretton Woods institutions, in order to ensure that these institutions respond effectively to the development priorities of developing countries;

"5. *Reiterates* its invitation to the World Bank, the International Monetary Fund, the regional development banks and other relevant institutions to further integrate development dimensions into their strategies and policies, consistent with their respective mandates;

"6. *Notes with great concern* that developing countries as a whole continue to experience a net outflow of financial resources, in spite of an increasing level of private financial flows to some developing countries, and reiterates the request to the Secretary-General, in continuing collaboration with international financial institutions and other relevant bodies, to analyse the range of reasons and consequences for this in his report under this item;

"7. *Expresses concern* at the recent financial turmoil in developed economies and its potential financial effects on developing countries;

"8. *Underlines* the importance of promoting international financial stability and sustainable growth, and welcomes the efforts undertaken to this end by the International Monetary Fund and the Financial Stability Forum, as well as the consideration by the International Monetary and Financial Committee of ways to sharpen tools designed to promote international financial stability and enhance crisis prevention, inter alia, through an even-handed implementation of surveillance, including at the regional level, and a sharpening of surveillance of capital markets and systemically and regionally

important countries, with a view, inter alia, to the early identification of problems and risks, integrating debt sustainability analysis, the fostering of appropriate policy responses, the possible provision of financing and other instruments designed to prevent the emergence or spread of financial crises and further improvements in the transparency of macroeconomic data and statistical information on international capital flows;

"9. *Also underlines* the importance of efforts at the national level to increase resilience to financial risk, stresses in this regard the importance of better assessment of a country's debt burden and its ability to service that debt in both crisis prevention and resolution, and takes note of the ongoing work of the International Monetary Fund on assessing debt sustainability;

"10. *Invites* developed countries, in particular major industrialized economies, to take into account the effect of their macroeconomic policies and regulatory frameworks on international growth and development as well as on international financial stability;

"11. *Recognizes* the need for multilateral surveillance to remain at the centre of crisis prevention efforts and that surveillance should focus not only on crisis-prone countries but also on the stability of the system as a whole;

"12. *Reiterates* that measures to mitigate the impact of excessive volatility of short-term capital flows and to improve transparency of and information about financial flows are important and must be considered;

"13. *Notes* the impact of financial crises or risk contagion in developing countries and countries with economies in transition, regardless of their size, and in this regard welcomes the efforts of the international financial institutions, in their support to countries, to continuously adapt their array of financial facilities and resources, drawing on a full range of policies, taking into account the effects of economic cycles, as and where appropriate, having due regard to sound fiscal management and the specific circumstances of each case, so as to prevent and respond to such crises in a timely and appropriate way;

"14. *Underscores* the importance of competitive and inclusive private and public financial markets in mobilizing and allocating savings towards productive investment and thus making a vital contribution to national development efforts and to an international financial architecture that is supportive of development;

"15. *Encourages* regional cooperation and initiatives to intermediate between savings and demand for long-term investment in developing countries, including the development of regional bond markets;

"16. *Welcomes* the launching of initiatives to support and accelerate the social and economic development of developing countries;

"17. *Invites* the international financial and banking institutions to consider enhancing the transparency of risk-rating mechanisms, noting that sovereign risk assessments made by the private sector should maximize the use of strict, objective and transparent parameters, which can be facilitated by high-quality data and analysis, and encourages relevant development institutions, including the United Nations Conference on Trade and

Development, to continue their work on this issue, including its potential impact on the development prospects of developing countries;

"18. *Stresses* the importance of strong domestic institutions in promoting business activities and financial stability for the achievement of growth and development, inter alia, through sound macroeconomic policies and policies aimed at strengthening the regulatory systems of the corporate, financial and banking sectors, and also stresses that international cooperation initiatives in those areas should encourage flows of capital to developing countries;

"19. *Emphasizes* that it is essential to ensure the effective and equitable participation of developing countries in the formulation of financial standards and codes, underscores the need to ensure their implementation, on a voluntary and progressive basis, as a contribution to reducing vulnerability to financial crisis and contagion, and notes that more than one hundred countries have participated in or agreed to participate in the joint World Bank-International Monetary Fund financial sector assessment programme;

"20. *Notes* the proposal to use special drawing rights allocations for development purposes, and considers that any assessment of special drawing rights allocations must respect the Articles of Agreement of the International Monetary Fund and the established rules of procedure of the Fund, which requires taking into account the global need for liquidity at the international level;

"21. *Invites* the multilateral and regional development banks and development funds to continue to play a vital role in serving the development needs of developing countries and countries with economies in transition, including through coordinated action, as appropriate, and stresses that strengthened regional development banks and subregional financial institutions add flexible financial support to national and regional development efforts, thus enhancing their ownership and overall efficiency, and are an essential source of knowledge and expertise for their developing-country members;

"22. *Calls for* the continued effort of the multilateral financial institutions, in providing policy advice, technical assistance and financial support to member countries, to work on the basis of nationally owned reform and development strategies, to pay due regard to the special needs and implementing capacities of developing countries and countries with economies in transition and to minimize the negative impacts of the adjustment programmes on the vulnerable segments of society, while taking into account the importance of gender-sensitive employment and hunger and poverty eradication policies and strategies;

"23. *Stresses* the need to continuously improve standards of corporate and public sector governance, including accounting, auditing and measures to ensure transparency, noting the disruptive effects of inadequate policies;

"24. *Reiterates* the importance of the United Nations playing a central role in the promotion of international cooperation for development and in undertaking a regular periodic review and assessment of international economic and development policies, including those of the Bretton Woods institutions, and their impact on development, and requests the Secretary-General to undertake an analysis of the resources to exercise this mandate, as

outlined in the decisions taken by the General Assembly in its resolutions 60/265 and 61/16;

"25. *Requests* the Secretary-General to submit a report to the General Assembly at its sixty-third session on the implementation of the present resolution;

"26. *Decides* to include in the provisional agenda of its sixty-third session, under the item entitled 'Macroeconomic policy questions', the sub-item entitled 'International financial system and development'."

3. At its 31st meeting, on 5 December, the Committee had before it a resolution entitled "International financial system and development" (A/C.2/62/L.47), submitted by the Vice-Chairman of the Committee, Peter Le Roux (South Africa), on the basis of informal consultations held on draft resolution A/C.2/72/L.9.

4. At the same meeting, the Committee was informed that the draft resolution had no programme budget implications.

5. Also at the same meeting, the representative of Argentina, in his capacity as facilitator, orally corrected the draft resolution (see A/C.2/62/SR.31).

6. Also at its 31st meeting, the Committee adopted draft resolution A/C.2/62/L.47, as orally corrected (see para. 8).

7. In the light of the adoption of the draft resolution A/C.2/62/L.47, draft resolution A/C.2/62/L.9 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

8. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

International financial system and development

The General Assembly,

Recalling its resolutions 55/186 of 20 December 2000 and 56/181 of 21 December 2001, both entitled "Towards a strengthened and stable international financial architecture responsive to the priorities of growth and development, especially in developing countries, and to the promotion of economic and social equity", as well as its resolutions 57/241 of 20 December 2002, 58/202 of 23 December 2003, 59/222 of 22 December 2004, 60/186 of 22 December 2005 and 61/187 of 20 December 2006,

Recalling also the United Nations Millennium Declaration[1] and its resolution 56/210 B of 9 July 2002, in which it endorsed the Monterrey Consensus of the International Conference on Financing for Development,[2] and the Plan of Implementation of the World Summit on Sustainable Development ("Johannesburg Plan of Implementation"),[3]

Recalling further the 2005 World Summit Outcome,[4]

Recalling its resolution 60/265 of 30 June 2006 on follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals, and its resolution 61/16 of 20 November 2006 on strengthening of the Economic and Social Council,

Emphasizing that the international financial system should further sustain economic growth and support sustainable development and hunger and poverty eradication efforts, while allowing for the coherent mobilization of all sources of financing for development, including the mobilization of domestic resources, international investment flows, official development assistance, external debt relief and an open, equitable, rule-based, predictable and non-discriminatory global trading system,

Stressing the importance of commitment to sound domestic financial sectors, which make a vital contribution to national development efforts, as an important component of an international financial architecture that is supportive of development,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 2, annex.

[4] See resolution 60/1.

Stressing also that good governance at the international level is fundamental for achieving sustainable development, reiterating in this regard the importance of promoting global economic governance by addressing the international finance, trade, technology and investment patterns that have an impact on the development prospects of developing countries in order to ensure a dynamic and enabling international economic environment, and reiterating also that, to this effect, the international community should take all necessary and appropriate measures, including ensuring support for structural and macroeconomic reform, finding a comprehensive solution to the external debt problem and increasing the market access of developing countries,

Reaffirming the commitment to broaden and strengthen the participation of developing countries and countries with economies in transition in international economic decision-making and norm-setting, stressing to that end the importance of continuing efforts to reform the international financial architecture, and acknowledging the need for continued discussion on the issue of the voting power of developing countries in the Bretton Woods institutions, which remains a concern,

Recognizing the urgent need to enhance the coherence, governance and consistency of the international monetary, financial and trading systems and the importance of ensuring their openness, fairness and inclusiveness in order to complement national development efforts to ensure sustained economic growth and the achievement of the internationally agreed development goals, including the Millennium Development Goals,

Emphasizing the need for additional, stable and predictable financing to assist developing countries to undertake their investment plans and strategies to achieve the internationally agreed development goals, including the Millennium Development Goals,

Recognizing, in this regard, the value of developing innovative sources of financing from various sources, on a public, private, domestic and external basis, to increase and supplement traditional sources of financing,

Welcoming the contribution to the mobilization of resources for development through innovative financing initiatives taken by groups of Member States,[5]

Reiterating the need to strengthen the leadership role of the United Nations in promoting development,

1. *Takes note* of the report of the Secretary-General;[6]

2. *Notes* that global economic growth and a stable international financial system, inter alia, can support the ability of developing countries to achieve the internationally agreed development goals, including the Millennium Development Goals, and stresses the importance of cooperative and coordinated efforts by all countries and institutions to cope with the risks of financial instability;

3. *Emphasizes* that economic growth should be further strengthened and sustained, noting that global economic growth depends on national economic

[5] Including the International Drug Purchase Facility-UNITAID, the International Finance Facility for Immunization and a pilot project within the Advance Market Commitment Initiative.

[6] A/62/119.

growth and that the implementation of sound macroeconomic policies at all levels could significantly contribute to a revitalization of economic growth;

4. *Stresses* the importance of the United Nations playing a fundamental role in the promotion of international cooperation for development and in discussing international economic and development policies;

5. *Notes* the holding of the annual meeting of the International Monetary Fund, in October 2007, stresses the importance of early agreement on a credible and time-bound package of quota and voice reforms in the Fund, reiterates the need to effectively address the issue of enhancing the voice and participation of developing countries in the Bretton Woods institutions, encourages the Bretton Woods institutions to take further and effective measures, and invites the World Bank and the Fund to continue to provide information on this issue, using existing cooperation forums, including those involving Member States;

6. *Reiterates* its invitation to the World Bank, the International Monetary Fund, the regional development banks and other relevant institutions to further integrate development dimensions into their strategies and policies, consistent with their respective mandates, and to fully implement the principles stated in those strategies and policies, in particular the objectives of pro-poor growth and poverty reduction;

7. *Notes* that developing countries as a whole continue to experience a net outflow of financial resources, and reiterates its request to the Secretary-General, in continuing collaboration with international financial institutions and other relevant bodies, to analyse the range of reasons and consequences for this in his report under this item;

8. *Also notes* that some developing countries have net inflows of financial resources, and reiterates its request to the Secretary-General, in continuing collaboration with international financial institutions and other relevant bodies, to analyse the range of reasons and consequences for this in his report under this item;

9. *Takes note* of the efforts of central banks, regulatory bodies and financial institutions to mitigate the global economic impacts of financial volatility resulting from adjustable-rate mortgage losses and related imbalances in developed economies, and encourages those bodies to further continue such efforts;

10. *Underlines* the importance of promoting international financial stability and sustainable growth, and welcomes the efforts undertaken to this end by the International Monetary Fund and the Financial Stability Forum, as well as the consideration by the International Monetary and Financial Committee of ways to sharpen tools designed to promote international financial stability and enhance crisis prevention, inter alia, through an even-handed implementation of surveillance, including at the regional level, and a sharpening of surveillance of capital markets and systemically and regionally important countries, with a view, inter alia, to the early identification of problems and risks, integrating debt sustainability analysis, the fostering of appropriate policy responses, the possible provision of financing and other instruments designed to prevent the emergence or spread of financial crises and further improvements in the transparency of macroeconomic data and statistical information on international capital flows;

progressive basis, as a contribution to reducing vulnerability to financial crisis and contagion, and notes that more than one hundred countries have participated in or agreed to participate in the joint World Bank-International Monetary Fund financial sector assessment programme;[7] and encourages countries that are not yet participating in the programme to consider doing so;

21. *Notes* the proposal to use special drawing rights allocations for development purposes, and considers that any assessment of special drawing rights allocations must respect the Articles of Agreement of the International Monetary Fund and the established rules of procedure of the Fund, which requires taking into account the global need for liquidity at the international level;

22. *Invites* the multilateral and regional development banks and development funds to continue to play a vital role in serving the development needs of developing countries and countries with economies in transition, including through coordinated action, as appropriate, and stresses that strengthened regional development banks and subregional financial institutions add flexible financial support to national and regional development efforts, thus enhancing their ownership and overall efficiency, and are an essential source of knowledge and expertise for their developing-country members;

23. *Calls for* the continued effort of the multilateral financial institutions, in providing policy advice, technical assistance and financial support to member countries, to work on the basis of nationally owned reform and development strategies, to pay due regard to the special needs and implementing capacities of developing countries and countries with economies in transition and to minimize the negative impacts of the adjustment programmes on the vulnerable segments of society, while taking into account the importance of gender-sensitive employment and hunger and poverty eradication policies and strategies;

24. *Stresses* the need to continuously improve standards of corporate and public sector governance, including accounting, auditing and measures to ensure transparency, noting the disruptive effects of inadequate policies;

25. *Requests* the Secretary-General to submit a report to the General Assembly at its sixty-third session on the implementation of the present resolution;

26. *Decides* to include in the provisional agenda of its sixty-third session, under the item entitled "Macroeconomic policy questions", the sub-item entitled "International financial system and development".

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[7] See A/59/218 and Corr.1, para. 15.

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Macroeconomic policy questions: external debt crisis and development

Report of the Second Committee*

Rapporteur: Ms. Tamar **Tchitanava** (Georgia)

I. Introduction

1. The Second Committee held a substantive debate on agenda item 52 (see A/62/417, para. 2). Action on sub-item (c) was taken at the 12th and 33rd meetings, on 22 October and 7 December 2007. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/62/SR.12 and 33).

II. Consideration of draft resolutions A/C.2/62/L.2 and A/C.2/62/L.57

2. At the 12th meeting, on 22 October, the representative of Pakistan, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "External debt crisis and development" (A/C.2/62/L.2), which read:

> "*The General Assembly*,
>
> "*Recalling* its resolutions 58/203 of 23 December 2003, 59/223 of 22 December 2004, 60/187 of 22 December 2005 and 61/188 of 20 December 2006 on external debt crisis and development,
>
> "*Recalling also* the International Conference on Financing for Development and its outcome, which recognizes sustainable debt financing as an important element for mobilizing resources for public and private investment,

* The report of the Committee on this item is being issued in four parts, under the symbol A/62/417 and Add.1-3.

"*Recalling further* the United Nations Millennium Declaration adopted on 8 September 2000,

"*Recalling* the 2005 World Summit Outcome,

"*Recalling also* its resolution 60/265 of 30 June 2006 on follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and other internationally agreed development goals,

"*Recalling further* its resolution 57/270 B of 23 June 2003,

"*Concerned* that many developing countries are still facing difficulties in finding a durable solution to meeting their external debt-servicing obligations, which adversely affect sustainable development, despite certain improvements in the external debt situation of some developing countries,

"*Recognizing* that the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative have enabled heavily indebted poor countries to increase their expenditures on health, education and other social services while expressing concern that the Initiatives may not provide adequate resources to achieve internationally agreed development goals, including the Millennium Development Goals, emphasizing in this regard the need to ensure that debt relief is in addition to and not a replacement for other sources of financing,

"*Stressing* the importance of addressing the challenges of those heavily indebted poor countries that are facing difficulties in reaching the completion point under the Heavily Indebted Poor Countries Initiative, and expressing concern that some heavily indebted poor countries continue to face substantial debt burdens and need to avoid rebuilding unsustainable debt burdens after reaching the completion point under the Initiative,

"*Emphasizing* the importance of debt sustainability and effective debt management to the efforts to achieve national development goals and the need for countries to direct financial resources freed through debt relief, including in particular through debt reduction and debt cancellation, towards activities consistent with poverty eradication, sustained economic growth and sustainable development and the achievement of the internationally agreed development goals, including the Millennium Development Goals,

"*Emphasizing* that debt sustainability is essential for underpinning growth, and underlining the importance of debt sustainability to the efforts to achieve national development goals, including the Millennium Development Goals, and that countries should direct those financial resources freed through debt relief, in particular through debt reduction and cancellation, towards activities consistent with poverty eradication, sustained economic growth and sustainable development and the achievement of the internationally agreed development goals, including the Millennium Development Goals,

"*Convinced* that enhanced market access for goods and services of export interest to developing countries contributes significantly to debt sustainability in those countries,

"1. *Takes note* of the report of the Secretary-General;

"2. *Emphasizes* the special importance of a timely, effective, comprehensive and durable solution to the debt problems of developing countries, since debt financing and relief can be an important source of capital for economic growth and development;

"3. *Also emphasizes* that creditors and debtors must share responsibility for preventing unsustainable debt situations;

"4. *Reiterates* that debt sustainability depends on a confluence of many factors at the international and national levels, emphasizes that country-specific circumstances and the impact of external shocks should be taken into account in debt sustainability analyses, underscores the fact that no single indicator should be used to make definitive judgements about debt sustainability, and, in this regard, while acknowledging the need to use transparent and comparable indicators, invites the International Monetary Fund and the World Bank, in their assessment of debt sustainability, to take into account fundamental changes caused by, inter alia, natural disasters, conflicts and changes in global growth prospects or in the terms of trade, especially for commodity-dependent developing countries, as well as by developments in financial markets, especially those of the developed countries and their impact on financial stability in developing countries, and to continue to provide information on this issue using existing cooperation forums, including those involving Member States;

"5. *Underlines* the fact that the long-term sustainability of debt depends, inter alia, on the economic growth, mobilization of domestic resources and export prospects of debtor countries and, hence, on the creation of an enabling international environment conducive to development, progress in following sound macroeconomic policies, transparent and effective regulatory frameworks and success in overcoming structural development problems;

"6. *Notes* the progress under the Multilateral Debt Relief Initiative, and calls for its full and timely implementation and the provision of additional resources to ensure that the financial capacity of the international financial institutions is not reduced;

"7. *Emphasizes* in this regard that debt relief does not replace other sources of financing;

"8. *Urges* donors to ensure that their commitments to the Multilateral Debt Relief Initiative and the Heavily Indebted Poor Countries Initiative is additional to existing aid flows, and underlines that full compensation by donors on the basis of fair burden-sharing for the Multilateral Debt Relief Initiative costs of relevant financial institutions is essential and expresses concern at the slow completion rate of the debt relief process;

"9. *Notes with concern* that, in spite of the progress achieved, some countries that have reached the completion point of the Heavily Indebted Poor Countries Initiative have not been able to achieve lasting debt sustainability, stresses the importance of promoting responsible borrowing and lending and the need to help those countries to manage their borrowing and to avoid a build-up of unsustainable debt, including through the use of grants and concessional loans, acknowledges the important role of the joint Debt

Sustainability Framework of the International Monetary Fund and the World Bank for low-income countries but calls for continued review of the Framework, and encourages the full engagement of borrower Governments in formulating and adapting sustainability criteria to their specific circumstances with the requisite degree of public scrutiny and informed debate;

"10. *Reiterates* its invitation to the World Bank and the International Monetary Fund to keep the overall implications of the debt sustainability framework for low-income countries under review, calls for more transparency and greater objectivity in the computation of the country policy and institutional assessments and for increased cooperation with other development partners and consideration of additional methodologies in conducting those assessments, and takes note of the disclosure of the country performance ratings of the International Development Association that form part of the framework, and calls for more voice and participation of developing countries in the governance of the Bretton Woods institutions which is critical for a more effective and development-friendly framework for institutional assessment and debt sustainability analysis;

"11. *Welcomes* and encourages the efforts of the heavily indebted poor countries, calls upon them to continue to strengthen their domestic policies and economic management, and to create a domestic environment conducive to private-sector development, economic growth and poverty reduction, including a stable macroeconomic framework, transparent and accountable systems of public finance, a sound business climate and a predictable investment climate, and in this regard invites creditors, both private and public who are not yet fully participating in debt relief initiatives to substantially increase their participation in the delivery of debt relief, and invites the international financing institutions and the donor community to continue to provide adequate and sufficiently concessional financing;

"12. *Stresses* that debt relief can play a key role in liberating resources that should be directed towards activities consistent with the achievement of the internationally agreed development goals, including the Millennium Development Goals, and calls for the consideration of additional measures and initiatives aimed at ensuring long-term debt sustainability through increased grant-based financing, cancellation of 100 per cent of the official multilateral and bilateral debt of heavily indebted poor countries and, where appropriate, and on a case-by-case basis, significant debt relief or restructuring for low- and middle-income developing countries with an unsustainable debt burden that are not part of the Heavily Indebted Poor Countries Initiative, as well as the exploration of mechanisms to comprehensively address the debt problems of those countries;

"13. *Encourages* the Paris Club, in dealing with the debt of low- and middle-income debtor countries that are not part of the Heavily Indebted Poor Countries Initiative to take into account their medium-term debt sustainability in addition to their financing gaps, and takes note with appreciation of the Evian approach of the Paris Club in providing terms of debt relief tailored to the specific needs of debtor countries while preserving debt cancellation for heavily indebted poor countries;

"14. *Stresses* the need for comprehensive solutions to the debt problems of middle-income developing countries, which are also facing growing debt burdens but are excluded from the Multilateral Debt Relief and Heavily Indebted Poor Countries processes, to help them to meet their development needs, including their financial, technical and technological requirements;

"15. *Notes with concern* that the current debt sustainability framework used to analyse the debt situation of middle-income countries focuses mostly on medium-term debt dynamics and is not adequate to address solvency issues, calls for supplementing this framework with other tools suitable for analysing solvency issues and emphasizes the need to develop debt resolution approaches that focus more on long-term sustainability rather than on intermediate targets;

"16. *Notes* that low- and middle-income developing countries that are not included in existing debt relief initiatives also face special constraints in mobilizing the resources needed to achieve the internationally agreed development goals and in this respect, should benefit more from international development assistance;

"17. *Also stresses* the need to consider, where appropriate, and on a case-by-case basis, significant debt relief or restructuring for low- and middle-income developing countries with an unsustainable debt burden that are not part of the Heavily Indebted Poor Countries Initiative as well as the exploration of innovative mechanisms to comprehensively address the debt problems of those countries, and underlines that this should be achieved in a way that does not detract from official development assistance resources, while maintaining the financial integrity of the multilateral financial institutions;

"18. *Invites* creditors and debtors to further explore, where appropriate, and on a mutually agreed basis, the use of innovative mechanisms such as debt swaps, including 'Debt for Equity in Millennium Development Goal Projects';

"19. *Stresses* the need to continue to take effective measures to address the debt problems of the least developed countries, including through cancellation of the multilateral and bilateral debt owed to public and private creditors;

"20. *Invites* donor countries, taking into account country-specific debt sustainability analyses, to continue their efforts to increase bilateral grants to developing countries, which could contribute to debt sustainability in the medium to long term, and recognizes the need for countries to be able to invest, inter alia, in health and education while maintaining debt sustainability;

"21. *Notes* the current turmoil in financial markets linked to non-transparent financial products, expresses concern at the potential negative consequences of such products on the development efforts of developing countries and stresses the need for greater transparency in such financial products;

"22. *Notes* that credit rating agencies play an important role in determining countries' access to international capital markets and the cost of such borrowing; moreover, recent events show that credit rating agencies can

affect financial stability even when they rate private debt instruments, and, in this regard, calls upon the international financial and banking institutions to enhance the transparency and accountability of risk rating mechanisms, and stresses that risk assessments made by the private sector should maximize the use of strict, objective and transparent parameters;

"23. *Welcomes* the efforts of, and calls upon the international community to provide flexibility, and stresses the need to continue those efforts in helping post-conflict developing countries, especially those that are heavily indebted and poor, to achieve initial reconstruction for economic and social development;

"24. *Calls upon* creditors to provide flexibility to developing countries affected by natural disasters so as to allow them to address their debt concerns;

"25. *Welcomes further* the efforts of and calls upon the international community to support institutional capacity-building in developing countries for the management of financial assets and liabilities and to enhance sustainable debt management as an integral part of national development strategies;

"26. *Invites* the United Nations Conference on Trade and Development, the International Monetary Fund and the World Bank, in cooperation with the regional commissions, development banks and other relevant multilateral financial institutions and stakeholders, to intensify cooperation in respect of capacity-building activities in developing countries in the area of debt management and debt sustainability;

"27. *Invites* donor countries to continue their efforts to increase financial support in respect of capacity-building activities for developing countries in the area of debt management and debt sustainability, in particular those undertaken by the United Nations system;

"28. *Calls upon* all Member States and the United Nations system and invites the Bretton Woods institutions and the private sector to take appropriate measures and actions for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits, in particular those related to the question of the external debt problems of developing countries;

"29. *Requests* the Secretary-General to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution and to include in that report a comprehensive and substantive analysis of the external debt situation and debt-servicing problems of developing countries;

"30. *Decides* to include in the provisional agenda of its sixty-third session, under the item entitled 'Macroeconomic policy questions', the sub-item entitled 'External debt crisis and development'."

3. At its 33rd meeting on 7 December, the Committee had before it a draft resolution entitled "External debt and development: towards a durable solution to the debt problems of developing countries" (A/C.2/62/L.57), submitted by the Vice-Chairman, Peter Le Roux (South Africa), on the basis of informal consultations held on draft resolution A/C.2/62/L.2.

4. At the same meeting, the Committee was informed that the draft resolution had no programme budget implications.

5. Also at the same meeting, the Vice-Chairman, Peter Le Roux (South Africa), orally corrected the draft resolution.

6. Also at its 33rd meeting, the Committee adopted draft resolution A/C.2/62/L.57 as orally corrected (see para. 9).

7. After the adoption of the draft resolution, a statement was made by the representative of the United States of America (see A/C.2/62/SR.33).

8. In the light of the adoption of draft resolution A/C.2/62/L.57, draft resolution A/C.2/62/L.2 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

9. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

External debt and development: towards a durable solution to the debt problems of developing countries

The General Assembly,

Recalling its resolutions 58/203 of 23 December 2003, 59/223 of 22 December 2004, 60/187 of 22 December 2005 and 61/188 of 20 December 2006 on external debt crisis and development,

Recalling also the International Conference on Financing for Development and its outcome,[1] which recognizes sustainable debt financing as an important element for mobilizing resources for public and private investment,

Recalling further the United Nations Millennium Declaration adopted on 8 September 2000,[2]

Recalling the 2005 World Summit Outcome,[3]

Recalling also its resolution 60/265 of 30 June 2006 on follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and other internationally agreed development goals,

Recalling further its resolution 57/270 B of 23 June 2003,

Reaffirming that each country must take primary responsibility for its own development and that the role of national policies and development strategies, including in the area of debt management, cannot be overemphasized in the achievement of sustainable development, and recognizing that national efforts should be complemented by supportive global programmes, measures and policies aimed at expanding the development opportunities of developing countries, while taking into account national conditions and ensuring respect for national ownership, strategies and sovereignty,

Emphasizing that debt sustainability is essential for underpinning growth, and underlining the importance of debt sustainability and effective debt management to the efforts to achieve national development goals, including the Millennium Development Goals, and that countries should direct those financial resources freed through debt relief, in particular through debt reduction and cancellation, towards activities consistent with poverty eradication, sustained economic growth and sustainable development and the achievement of the internationally agreed development goals, including the Millennium Development Goals,

Noting with appreciation that the Multilateral Debt Relief Initiative and bilateral donors have provided significant debt relief to twenty-two heavily indebted

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[1] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[2] See resolution 55/2.

[3] See resolution 60/1.

poor countries that have reached the completion point under the enhanced Heavily Indebted Poor Countries Initiative,[4]

Noting with satisfaction the improvement in the external debt situation of heavily indebted poor countries but concerned that there remains a number of low- and middle-income developing countries that are still facing difficulties in finding a durable solution to their external debt problems, which could adversely affect their sustainable development,

Welcoming the fact that the Heavily Indebted Poor Countries Initiative and the Multilateral Debt Relief Initiative have enabled heavily indebted poor countries to increase their expenditures on health, education and other social services consistent with national priorities, development plans and internationally agreed development goals, including the Millennium Development Goals,

Stressing the importance of addressing the challenges of those heavily indebted poor countries that are facing difficulties in reaching the completion point under the Heavily Indebted Poor Countries Initiative, and expressing concern that some heavily indebted poor countries continue to face substantial debt burdens and need to avoid rebuilding unsustainable debt burdens after reaching the completion point under the Initiative,

Convinced that enhanced market access for goods and services of export interest to developing countries contributes significantly to debt sustainability in those countries,

1. *Takes note* of the report of the Secretary-General;[5]

2. *Emphasizes* the special importance of a timely, effective, comprehensive and durable solution to the debt problems of developing countries, since debt financing and relief can contribute to economic growth and development;

3. *Also emphasizes* that creditors and debtors must share responsibility for preventing unsustainable debt situations;

4. *Reiterates* that debt sustainability depends on a confluence of many factors at the international and national levels, emphasizes that country-specific circumstances and the impact of external shocks should continue to be taken into account in debt sustainability analyses, underlines the fact that no single indicator should be used to make definitive judgements about debt sustainability, and, in this regard, while acknowledging the need to use transparent and comparable indicators, invites the International Monetary Fund and the World Bank, in their assessment of debt sustainability, to take into account fundamental changes caused by, inter alia, natural disasters, conflicts and changes in global growth prospects or in the terms of trade, especially for commodity-dependent developing countries, as well as by the impact of developments in financial markets, and to continue to provide information on this issue using existing cooperation forums, including those involving Member States;

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[4] Debt relief under the two initiatives is expected to reduce the debt stocks of the 29 heavily indebted poor countries that have reached the decision point by almost 90 per cent. "Heavily Indebted Poor Countries (HIPC) Initiative and Multilateral Debt Relief Initiative (MDRI) — Status of Implementation", prepared by the staffs of the International Development Association and the International Monetary Fund (August 2006).

[5] A/62/151.

5. *Underlines* the fact that the long-term sustainability of debt depends, inter alia, on the economic growth, mobilization of domestic resources and export prospects of debtor countries and, hence, on the creation of an enabling international environment conducive to development, progress in following sound macroeconomic policies, transparent and effective regulatory frameworks and success in overcoming structural development problems;

6. *Notes with appreciation* the progress under the Heavily Indebted Poor Countries Initiative and Multilateral Debt Relief Initiative, calls for their full and timely implementation and the provision of additional resources to ensure that the financial capacity of the international financial institutions is not reduced, and stresses the need for all creditors to participate on an equitable basis, including non-Paris Club and commercial creditors;

7. *Emphasizes* in this regard that debt relief does not replace other sources of financing;

8. *Urges* donors to ensure that their commitments to the Multilateral Debt Relief Initiative and the Heavily Indebted Poor Countries Initiative are additional to existing aid flows, emphasizes that full compensation by donors on the basis of fair burden-sharing for the Multilateral Debt Relief Initiative costs of relevant financial institutions is essential, calls for continued support to countries to complete the Heavily Indebted Poor Countries Initiative process, and encourages all parties, both creditors and debtors, to fulfil their commitments as rapidly as possible in order to complete the debt relief process;

9. *Notes with concern* that, in spite of the progress achieved, some countries that have reached the completion point of the Heavily Indebted Poor Countries Initiative have not been able to achieve lasting debt sustainability, stresses the importance of promoting responsible borrowing and lending and the need to help those countries to manage their borrowing and to avoid a build-up of unsustainable debt, including through capacity-building in the area of debt management and the use of grants and concessional loans, underlines the important role of the joint Debt Sustainability Framework of the International Monetary Fund and the World Bank for low-income countries in guiding borrowing and lending decisions, and encourages continued review of the Framework, with the full engagement of borrower Governments in an open and transparent manner;

10. *Encourages* further improving the mutual exchange of information, on a voluntary basis, on borrowing and lending among all creditors and borrowers;

11. *Reiterates its invitation* to the World Bank and the International Monetary Fund to keep the overall implications of the Debt Sustainability Framework for low-income countries under review, calls for transparency in the computation of the country policy and institutional assessments, and takes note of the disclosure of the country performance ratings of the International Development Association that form part of the Framework;

12. *Welcomes and encourages* the efforts of the heavily indebted poor countries, calls upon them to continue to strengthen their domestic policies and economic management, inter alia through poverty reduction strategies, and to create a domestic environment conducive to private-sector development, economic growth and poverty reduction, including a stable macroeconomic framework, transparent and accountable systems of public finance, a sound business climate and a

predictable investment climate, and in this regard invites creditors, both private and public, that are not yet fully participating in debt relief initiatives to substantially increase their participation, including by providing comparable treatment to the extent possible to debtor countries that have concluded sustainable debt relief agreements with creditors, and invites the international financing institutions and the donor community to continue to provide adequate and sufficiently concessional financing;

13. *Stresses* that debt relief can play a key role in liberating resources that should be directed towards activities consistent with poverty eradication, sustained economic growth, sustainable development and the achievement of the internationally agreed development goals, including the Millennium Development Goals, and in this regard urges countries to direct those resources freed through debt relief, in particular through debt cancellation and reduction, towards those objectives;

14. *Calls for* the consideration of additional measures and initiatives aimed at ensuring long-term debt sustainability through increased grant-based financing, cancellation of 100 per cent of the eligible official multilateral and bilateral debt of heavily indebted poor countries and, where appropriate and on a case-by-case basis, significant debt relief or restructuring for low- and middle-income developing countries with an unsustainable debt burden that are not part of the Heavily Indebted Poor Countries Initiative, as well as the exploration of mechanisms to comprehensively address the debt problems of those countries;

15. *Encourages* the Paris Club, in dealing with the debt of low- and middle-income debtor countries that are not part of the Heavily Indebted Poor Countries Initiative to take into account their medium-term debt sustainability in addition to their financing gaps, and takes note with appreciation of the Evian approach of the Paris Club in providing terms of debt relief tailored to the specific needs of debtor countries while preserving debt cancellation for heavily indebted poor countries;

16. *Stresses* the need to significantly address the debt problems of middle-income developing countries, and in this regard stresses the importance of the Evian approach of the Paris Club as a practical means to address this issue, and notes that the current debt sustainability framework used to analyse the debt situation of middle-income countries focuses mostly on medium-term debt dynamics;

17. *Notes* that several developing countries have been able to reduce their external public debt by issuing more domestic debt to pay off foreign currency liabilities, appreciates that, while this switch in debt structure substantially reduces the foreign exchange risk of public debt liabilities, the levels of domestic debt could create other challenges for macroeconomic management and public debt sustainability, and calls for a reinforcing capacity to manage the new levels of domestic debt in order to maintain the overall public debt sustainability;

18. *Also notes* that some low- and middle-income developing countries that are not included in existing debt relief initiatives also experience constraints in mobilizing the resources needed to achieve the internationally agreed development goals;

19. *Invites* creditors and debtors to continue to use, where appropriate and on a case-by-case basis, mechanisms such as debt swaps for alleviating the debt burden of low- and middle-income developing countries with an unsustainable debt burden

that are not eligible for the Heavily Indebted Poor Countries Initiative, and takes note of the discussions and assessment by the Paris Club of the proposal for "Debt for Equity in Millennium Development Goal Projects";

20. *Stresses* the need to continue to take effective measures, preferably within the existing frameworks, to address the debt problems of the least developed countries, including through cancellation of the multilateral and bilateral debt owed by least developed countries to creditors, both public and private;

21. *Invites* donor countries, taking into account country-specific debt sustainability analyses, to continue their efforts to increase bilateral grants to developing countries, which could contribute to debt sustainability in the medium to long term, and recognizes the need for countries to be able to invest, inter alia, in health and education while maintaining debt sustainability;

22. *Notes* that credit-rating agencies play an important role in determining countries' access to international capital markets and the cost of such borrowing, and, in this regard, calls upon the international financial and banking institutions to consider enhancing the transparency of risk-rating mechanisms, and notes that sovereign risk assessments made by the private sector should maximize the use of strict, objective and transparent parameters, which can be facilitated by high-quality data and analysis;

23. *Welcomes* the efforts of and calls upon the international community to provide flexibility, and stresses the need to continue those efforts in helping post-conflict developing countries, especially those that are heavily indebted and poor, to achieve initial reconstruction for economic and social development;

24. *Also welcomes* the efforts of and invites creditors to provide flexibility to developing countries affected by natural disasters on a case-by-case basis so as to allow them to address their debt concerns;

25. *Further welcomes* the efforts of and calls upon the international community to support institutional capacity-building in developing countries for the management of financial assets and liabilities and to enhance sustainable debt management as an integral part of national development strategies;

26. *Invites* the United Nations Conference on Trade and Development, the International Monetary Fund and the World Bank, in cooperation with the regional commissions, development banks and other relevant multilateral financial institutions and stakeholders, to continue cooperation in respect of capacity-building activities in developing countries in the area of debt management and debt sustainability;

27. *Invites* the international community, including the United Nations system, to continue efforts to increase financial support in respect of capacity-building activities for developing countries in the area of debt management and debt sustainability, and encourages countries to create transparent and accountable debt management systems;

28. *Calls upon* all Member States and the United Nations system, and invites the Bretton Woods institutions and the private sector, to take appropriate measures and actions for the implementation of the commitments, agreements and decisions of the major United Nations conferences and summits, in particular those related to the question of the external debt problems of developing countries;

29. *Requests* the Secretary-General to submit to the General Assembly at its sixty-third session a report on the implementation of the present resolution and to include in that report a comprehensive and substantive analysis of the external debt situation and debt-servicing problems of developing countries and a review of debt management capacity-building efforts, particularly those of the United Nations system;

30. *Decides* to include in the provisional agenda of its sixty-third session, under the item entitled "Macroeconomic policy questions", a sub-item entitled "External debt and development: towards a durable solution to the debt problems of developing countries".

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Follow-up to and implementation of the outcome of the International Conference on Financing for Development

Report of the Second Committee

Rapporteur: Ms. Tamar **Tchitanava** (Georgia)

I. Introduction

1. At its 3rd plenary meeting, on 21 September 2007, the General Assembly, on the recommendation of the General Committee, decided to include in the agenda of its sixty-second session the item entitled:

> "Follow-up to and implementation of the outcome of the International Conference on Financing for Development:
>
> "(a) Follow-up to and implementation of the outcome of the International Conference on Financing for Development;
>
> "(b) High-level dialogue for the implementation of the outcome of the International Conference on Financing for Development"

and to allocate it to the Second Committee.

2. The Second Committee considered the item at its 27th, 29th and 33rd meetings, on 14 and 28 November and 7 December 2007. An account of the Committee's discussion of the item is contained in the relevant summary records (A/C.2/62/SR.27, 29 and 33). Attention is also drawn to the general debate held by the Committee at its 2nd to 6th meetings, from 8 to 10 October (see A/C.2/62/SR.2-6).

3. For its consideration of the item, the Committee had before it the following documents:

07-62423 (E) 141207

Item 53
Follow-up to and implementation of the outcome of the International Conference on Financing for Development

Summary by the President of the General Assembly of the High-level Dialogue on Financing for Development (A/62/550)

Letter dated 8 October 2007 from the representative of Pakistan to the Secretary-General, transmitting the Ministerial Declaration adopted by the Ministers for Foreign Affairs of the Group of 77 and China at their thirty-first annual meeting, held at United Nations Headquarters on 27 September 2007 (A/62/488)

Letter dated 18 October 2007 from the representative of Pakistan to the Secretary-General, transmitting the final communiqué of the annual coordination meeting of the Ministers for Foreign Affairs of the States members of the Organization of the Islamic Conference, held at United Nations Headquarters on 2 October 2007 (A/62/507-S/2007/636)

Item 53 (a)
Follow-up to and implementation of the outcome of the International Conference on Financing for Development

Report of the Secretary-General on the regional dimension of the follow-up to and implementation of the Monterrey Consensus of the International Conference on Financing for Development (A/62/190)

Report of the Secretary-General on the follow-up to and implementation of the outcome of the International Conference on Financing for Development (A/62/217)

Summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development (A/62/76-E/2007/55 and Corr.1)

Letter dated 4 April 2007 from the representative of Spain to the Secretary-General (A/62/71-E/2007/46)

Item 53 (b)
High-level dialogue for the implementation of the outcome of the International Conference on Financing for Development

Note by the Secretary-General on the proposed organization of work of the High-level Dialogue on Financing for Development (A/62/271)

4. At the 27th meeting, on 14 November, the Director of the Financing for Development Office of the Department of Economic and Social Affairs made an introductory statement (see A/C.2/62/SR.27).

II. Consideration of draft resolutions A/C.2/62/L.37 and A/C.2/62/L.59

5. At the 29th meeting, on 28 November, the representative of Egypt, also on behalf of Norway, introduced a draft resolution entitled "Follow-up International

Conference on Financing for Development to Review the Implementation of the Monterrey Consensus" (A/C.2/62/L.37), which read:

"*The General Assembly*,

"*Recalling* the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002, and its resolutions 56/210 B of 9 July 2002, 57/250 of 20 December 2002, 57/270 B of 23 June 2003, 57/272 and 57/273 of 20 December 2002, 58/230 of 23 December 2003, 59/225 of 22 December 2004, 60/188 of 22 December 2005 and 61/191 of 20 December 2006, as well as Economic and Social Council resolutions 2002/34 of 26 July 2002, 2003/47 of 24 July 2003, 2004/64 of 16 September 2004, 2006/45 of 28 July 2006 and 2007/30 of 27 July 2007,

"*Recalling also* the 2005 World Summit Outcome,

"*Recalling further* its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals, and its resolution 61/16 of 20 November 2006 on the strengthening of the Economic and Social Council,

"*Taking note* of the reports of the Secretary-General,

"*Taking note also* of the summary by the President of the General Assembly of the High-level Dialogue on Financing for Development, held in New York from 23 to 25 October 2007,

"*Taking note further* of the summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, held in New York on 16 April 2007,

"*Welcoming with appreciation* the offer of the Government of Qatar to host the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus in accordance with paragraph 73 of the Consensus and resolutions 60/188 and 61/191,

"*Taking note* of the steps taken by the President of the General Assembly at its sixty-first session to initiate direct intergovernmental consultations of the whole, with the participation of all Member States and the major institutional stakeholders involved in the financing for development process, on all issues related to the review conference,

"1. *Decides*:

"(a) That the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus will be held in Doha in the period from 29 November to 3 December 2008;

"(b) That the Review Conference will be held at the highest possible level, including at the summit level;

"(c) That the format of the Review Conference will include plenary meetings and six interactive multi-stakeholder round tables on themes based on the six major thematic areas of the Monterrey Consensus;

"(d) That the Review Conference will result in an agreed outcome and summaries of round-table discussions;

"2. *Reiterates* that the Review Conference should assess progress made, reaffirm goals and commitments, share best practices and lessons learned, and identify obstacles and constraints encountered, actions and initiatives to overcome them and important measures for further implementation, as well as new challenges and emerging issues;

"3. *Reaffirms its resolve* to continue to make full use of the existing institutional arrangements for reviewing the implementation of the Monterrey Consensus, as set out in paragraph 69 of the Consensus and in line with resolution 57/270 B, including the spring meetings of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, bearing in mind the need to enhance the effectiveness of the follow-up process of the Monterrey Consensus;

"4. *Stresses* the importance of the full involvement of all relevant stakeholders, including civil society and business sector entities, in the preparation of the Review Conference and in the Conference itself, in accordance with the rules of procedure of the General Assembly, in particular the accreditation procedures and modalities of participation utilized at the Monterrey Conference and in its follow-up process;

"5. *Reaffirms* the special role that the international financial and trade institutions are invited to play in all aspects of the Review Conference, including their active involvement in its preparatory work;

"6. *Calls upon* the regional commissions, with the support of regional development banks and other relevant regional entities, to hold regional consultations, as appropriate, during the first half of 2008, to serve as inputs to the preparation of the Review Conference;

"7. *Requests* the President of the General Assembly at its sixty-second session to continue direct intergovernmental consultations of the whole with the participation of all member States and the major institutional stakeholders involved in the financing for development process, on all issues related to the Review Conference, and in this regard decides that these consultations must be open, inclusive and transparent;

"8. *Invites* donor Governments and other relevant stakeholders to provide contributions to the Trust Fund for the Follow-up to the International Conference on Financing for Development, in order to support activities in preparation of the Review Conference in 2008;

"9. *Requests* the Secretary-General to submit an update of the recommendations contained in his report on the follow-up to and implementation of the Monterrey Consensus of the International Conference on Financing for Development, including the findings of various multi-stakeholder processes organized by the Secretariat in accordance with resolution 60/188, as an input to the preparation of the Review Conference;

"10. *Also requests* the Secretary-General to prepare a note on the organization of work of the Review Conference;

"11. *Decides* to include in the provisional agenda of its sixty-third session an item entitled 'Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the preparation of the 2008 Review Conference'."

6. At its 33rd meeting, on 7 December, the Committee had before it a draft resolution entitled "Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus" (A/C.2/62/L.59), submitted by the Chairperson of the Committee on the basis of informal consultations held on draft resolution A/C.2/62/L.37.

7. At the same meeting, the Committee was informed that the draft resolution had no programme budget implications.

8. Also at the same meeting, the representative of Egypt made a statement and orally corrected the draft resolution (see A/C.2/62/SR.33).

9. At the same meeting, the Committee adopted draft resolution A/C.2/62/L.59, as orally corrected (see para. 12).

10. After the adoption of the draft resolution, statements were made by the representatives of Pakistan (on behalf of the States Members of the United Nations that are members of the Group of 77 and China), Portugal (on behalf of the States Members of the United Nations that are members of the European Union and Albania, Bosnia and Herzogovina, Croatia, Montenegro, Serbia, the former Yugoslav Republic of Macedonia and Turkey; and Armenia, Georgia, Moldova and Ukraine) and the United States of America.

11. In the light of the adoption of draft resolution A/C.2/62/L.59, draft resolution A/C.2/62/L.37 was withdrawn by its sponsors.

III. Recommendation of the Second Committee

12. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus

The General Assembly,

Recalling the International Conference on Financing for Development, held in Monterrey, Mexico, from 18 to 22 March 2002, and its resolutions 56/210 B of 9 July 2002, 57/250 of 20 December 2002, 57/270 B of 23 June 2003, 57/272 and 57/273 of 20 December 2002, 58/230 of 23 December 2003, 59/225 of 22 December 2004, 60/188 of 22 December 2005 and 61/191 of 20 December 2006, as well as Economic and Social Council resolutions 2002/34 of 26 July 2002, 2003/47 of 24 July 2003, 2004/64 of 16 September 2004, 2006/45 of 28 July 2006 and 2007/30 of 27 July 2007,

Recalling also the 2005 World Summit Outcome,[1]

Recalling further its resolution 60/265 of 30 June 2006 on the follow-up to the development outcome of the 2005 World Summit, including the Millennium Development Goals and the other internationally agreed development goals, and its resolution 61/16 of 20 November 2006 on the strengthening of the Economic and Social Council,

Taking note of the reports of the Secretary-General,[2]

Noting the summary by the President of the General Assembly of the High-level Dialogue on Financing for Development, held in New York from 23 to 25 October 2007,[3]

Noting also the summary by the President of the Economic and Social Council of the special high-level meeting of the Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, held in New York on 16 April 2007,[4]

Welcoming with appreciation the offer of the Government of Qatar to host the follow-up international conference to review the implementation of the outcome of the International Conference on Financing for Development, in accordance with paragraph 73 of the Monterrey Consensus[5] and its resolutions 60/188 and 61/191,

Taking note of the steps taken by the President of the General Assembly at its sixty-first session to initiate direct intergovernmental consultations of the whole, with the participation of all Member States and the major institutional stakeholders

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[1] See resolution 60/1.

[2] A/62/217 and A/62/190.

[3] A/62/550.

[4] A/62/76-E/2007/55 and Corr.1.

[5] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

involved in the financing for development process, on all issues related to the review conference,

1. *Decides* that the Follow-up International Conference on Financing for Development to Review the Implementation of the Monterrey Consensus:

(a) Will be held in Doha from 29 November to 2 December 2008;

(b) Will be held at the highest possible political level, including the participation of Heads of State or Government, ministers, special representatives and other representatives, as appropriate;

(c) Will include plenary meetings and six interactive multi-stakeholder round tables on the themes based on the six major thematic areas of the Monterrey Consensus;[5]

(d) Will result in an intergovernmentally agreed outcome;

(e) Will also result in summaries of the plenary meetings and of the round-table discussions, to be included in the report of the conference;

2. *Reiterates* that the Review Conference should assess progress made, reaffirm goals and commitments, share best practices and lessons learned and identify obstacles and constraints encountered, actions and initiatives to overcome them and important measures for further implementation, as well as new challenges and emerging issues;

3. *Reaffirms its resolve* to continue to make full use of the existing institutional arrangements for reviewing the implementation of the Monterrey Consensus, as set out in paragraph 69 of the Consensus and in line with resolution 57/270 B, including the high-level dialogues convened by the General Assembly and the spring meetings of the Economic and Social Council with the Bretton Woods institutions, the World Trade Organization and the United Nations Conference on Trade and Development, bearing in mind the need to enhance the effectiveness of the follow-up process of the Monterrey Consensus;

4. *Stresses* the importance of the full involvement of all relevant stakeholders in the implementation of the Monterrey Consensus at all levels, and also stresses the importance of their full participation in the Monterrey follow-up process, in accordance with the rules of procedure of the General Assembly, in particular the accreditation procedures and modalities of participation utilized at the Monterrey Conference and in its preparatory process;

5. *Invites* non-governmental organizations and business sector entities to participate in the Review Conference and its preparatory process, in accordance with the rules of procedure of the General Assembly, in particular the accreditation procedures and modalities of participation utilized at the Monterrey Conference and in its preparatory process, and decides that:

(a) Registration will be open to all non-governmental organizations that are in consultative status with the Economic and Social Council and to all non-governmental organizations and business sector entities accredited to the International Conference on Financing for Development or to its follow-up process;

(b) Interested non-governmental organizations and business sector entities that are not in consultative status with the Economic and Social Council or were not

accredited to the International Conference on Financing for Development shall apply to the General Assembly for accreditation following the accreditation procedure established during the International Conference;

(c) The above arrangements concerning participation of non-governmental organizations and business sector entities in the Review Conference and its preparatory process will in no way create a precedent for meetings of the General Assembly;

6. *Reaffirms* the special role that the international financial and trade institutions, in particular the major institutional stakeholders in the financing for development process, are invited to play in all aspects of the Review Conference, including their active involvement in its preparatory work, following the experience of the Monterrey Conference;

7. *Calls upon* the United Nations regional commissions, with the support of regional development banks and other relevant entities, to hold regional consultations, as appropriate, during the first half of 2008, to serve as inputs to the preparation of the Review Conference;

8. *Requests* the President of the General Assembly at its sixty-second session to continue direct intergovernmental consultations of the whole with the participation of all States and the major institutional stakeholders involved in the financing for development process on all issues related to the Review Conference, and decides that these consultations must be scheduled in advance and must be open, inclusive and transparent;

9. *Also requests* the President of the General Assembly to provide a programme of work, from within existing resources, taking into account relevant meetings scheduled for 2008 and their outcomes, including six substantive informal review sessions of the whole on the six thematic areas of the Monterrey Consensus, of a maximum duration of eleven working days plus one working day for informal interactive hearings with representatives of civil society and the business sector during the period from January to June 2008, to be followed by informal consultations on the contents of the outcome document of the Review Conference, with the view to presenting the first draft outcome document by the end of July 2008, followed by informal consultations and drafting sessions, as required, in the period from September 2008 until the holding of the Review Conference;

10. *Further requests* the President of the General Assembly, with the support of the Secretariat of the United Nations, to prepare informal summaries of the review sessions referred to in paragraph 9 above, as an input to the preparations of the Review Conference;

11. *Invites* Governments and all relevant stakeholders, including the World Bank, the International Monetary Fund, the World Trade Organization, the United Nations Conference on Trade and Development, the United Nations Development Programme, regional development banks and all other relevant regional bodies, to provide substantive inputs to the preparatory process of the Review Conference, including the activities referred to in paragraph 9 above;

12. *Invites* donor Governments and other relevant stakeholders to continue to provide extrabudgetary resources, in particular through voluntary contributions to the Trust Fund for the Follow-up to the International Conference on Financing for

Development, in order to support activities in preparation of the Review Conference in 2008, and to support the travel and participation of representatives of developing countries, in particular least developed countries;

13. *Requests* the Secretary-General to submit by the end of July 2008 a report on the latest developments related to the review process on financing for development and the implementation of the Monterrey Consensus;

14. *Also requests* the Secretary-General to prepare a note on the organization of work of the Review Conference;

15. *Decides* to include in the provisional agenda of its sixty-third session an item entitled "Follow-up to and implementation of the outcome of the 2002 International Conference on Financing for Development and the preparation of the 2008 Review Conference".